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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-05

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SAJ-01 NSC-05 H-02 /065 W
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FM AMEMBASSY LONDON
TO SECSTATE WASHDC 9353
SECDEF
INFO USMISSION NATO BRUSSELS
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
AMEMBASSY REYKJAVIK
USCINCEUR
CINCLANT
USLOSACLANT
USNMR SHAPE

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DEFENSE FOR ISA

E.O. 11652: N/A
TAGS: MPOL, NATO, UK
SUBJ: UK DEFENSE CUTS
REF: LONDON 2624 NOTAL

1. SUMMARY: THE HOUSE OF COMMONS EXPENDITURE SUB-COMMIT-
TEE ON DEFENSE AND EXTERNAL AFFAIRS HAS PUBLISHED A RE-
PORT WHICH IS CRITICAL OF THE ADVERSE IMPACT "SUCCESSIVE"
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DEFENSE REVIEUS HAVE HAD ON MAJOR UK DEFENSE EQUIPMENT

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PROGRAMS. WHILE ACCEPTING THAT THE 1975 DEFENSE REVIEW HAS GENERALLY BEEN WELL-CONDUCTED, THE REPORT IS SHARPLY CRITICAL OF SOME PARTICULAR DECISIONS. ALL MAJOR QUALITY NEWSPAPERS GIVE IT PROMINENT COVERAGE. END SUMMARY.

2. THE SECOND REPORT FROM THE EXPENDITURE COMMITTEE. SESSION 1975-76, DEFENCE, HOUSE OF COMMONS PAPER 155 WAS PUBLISHED 25 FEBRUARY. THE REPORT, A PRODUCT OF A MULTI-PARTY COMMITTEE -- THE DEFENCE AND EXTERNAL AFFAIRS SUBCOMMITTEE -- ADDRESSES THE IMPLICATIONS OF THE 1975 DEFENSE REVIEW. ITS THRUST IS CLEAR: A WARNING THAT BRITAIN'S DEFENSE HAS ALREADY BEEN CUT TO THE BONE AND THAT SHORT-TERM CUTS COULD CAUSE DISRUPTION TO EQUIPMENT PROGRAMS OUT MF PROPORTION TO THE SIZE OF THE "SAVINGS". THE REPORT DOES NOT TOUCH ON THE NEW ROUND OF CUTS IN THE PUBLIC EXPENDITURE WHITE PAPER (REFTEL) BUT THE PRESS TREATMENT PLAYS ON THE INFERENCE THAT CAN BE DRAWN: A FURTHER SUBSTANTIAL ROUND OF REDUCTIONS WOULD HAVE SERIOUS IMPLICATIONS FOR BRITAIN'S ABILITY TO CON-TRIBUTE TO NATO AND TO DEFEND HERSELF. WHILE ACCEPTING THAT THE 1974/75 DEFENCE REVIEW HAS BEEN GENERALLY WELL-CONDUCTED, THE REPORT IS SHARPLY CRITICAL OF PARTICULAR SITUATIONS CONCERNING, FOR EXAMPLE, THE MRCA AIR DEFENSE VARIANT AIRCRAFT, THE NAVY'S ANTI-SUBMARINE CRUISER PRO-GRAM, AND THE ROYAL DOCKYARDS.

3. ON MRCA, THE REPORT AIMS ITS FIRE ON THE AIR DEFENSE VARIANT (ADV) NOTING THAT "OVERALL PERFORMANCE...WILL BE INFERIOR TO THAT OF THE AMERICAN F-14 AND F-15 BOTH OF WHICH WILL HAVE BEEN IN US SERVICE FOR SEVERAL YEARS BEFORE THE ADT IS EXPECTED TO BE AVAILABLE". ON THE OVERALL MRCA PROGRAM, THE REPORT NOTES "WITH REGRET BUT NOT SURPRISE" THAT EARLIER PREDICTIONS ABOUT MRCA HAVE HAD TO BE REVISED UPWARDS. THE BASIC UNIT PRODUCTION COST, APPLICALE TO THE 1976/77 DEFENSE BUDGET IS QUOTED AS POUNDS 5.29 MILLION.

4. ON THE NAVY'S ANTI-SUBMARINE CRUISER PROGRAM, THE

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REPORT IS CRITICAL OF SHIPBUILDING DELAYS NOTING "LATE
DELIVERY AND FURTHER COST INCREASES". IN THE PUBLIC REALM
UNOFFICIAL COQT ESTIMATES SUGGEST THAT HMS INVINCIBLE MAY
COST AS MUCH AS POUNDS 100 MILLION. ACCORDING TO MOD IT
IS UNLIKELY THAT HMS INVINCIBLE CAN COME INTO SERVICE
UNTIL ABOUT 1980. THE REPORT NOTING "THE SIGNIFICANCE OF
THE PROGRAM IN BRITISH AND NATO MARITIME STRATEGY" URGES
IMMEDIATE REVIEW AND ADMONISHES THAT "EVERYTHING POSSIBLE
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SHOULD BE DONE TO ENSURE THAT THE TARGETS ARE MET".

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5. THE MAJOR CONCLUSIONS ON THE DEFENSE REVIEW ARE THAT: (A) "SHORT-TERM DEFENSE CUTS MAY CAUSE DISRUPTION OUT OF PROPORTION TO THEIR AMOUNT..." AND REDUCTIONS DO NOT "...EASILY CREATE EARLY BENEFITS ELSEWHERE IN THE ECONOMY. FURTHER SUBSTANTIAL REDUCTIONS IN PLANNED DEFENSE SPENDING WOULD HAVE SERIOUS IMPLICATIONS FOR EMPLOYMENT"; (B) "A PERIOD OF RELATIVE STABILITY" IS NEEDED FOR MOD AND DEFENSE INDUSTRY "TO ENABLE THEM TO ABSORB THE EFDECTS OF THE REVIEW"; (C)"THE UK'S CONTRI-BUTION TO COLLECTIVE DEFENSE CANNOT BE SIGNIFICANTLY REDUCED WITHOUT RISKING A SERIOUS LOSS OF CONFIDENCE

AMONG MEMBERS OF THE NATO ALLIANCE ON WHICH OUR NATIONAL SECURITY DEPENDS"; AND (D) "A FUTURE WAR COULD ALLOW NO TIME TO MAKE EOOD OUR WEAKNESSES. WE CONSIDER THAT THE HOUSE SHOULD BE AWARE OF OUR DEFENSE CAPABILITY AND FOR OUR CONTRIBUTION TO THE NATO ALLIANCE IF FURTHER MAJOR CUTS WERE TO BE IMPOSED".

6. COPIES OF THE REPORT BEING POUCHED.

7. COMMENT: THIS REPORT -- COMING AS IT DOES ON THE HEELS OF THE RECENTLY ANNOUNCED NEW CUTBACKS IN PUBLIC EXPENDITURE AND BEFORE THE DEFENCE WHITE PAPER (DUE IN MARCH) -- IS MOST OPPORTUNE. ITS TENOR SHOULD HELP THE PUBLIC TO FOCUS MORE REALISTICALLY ON THE CRITICAL ISSUES CONFRONTING DEFENSE. THE CLEAR WARNING ABOUT THE DANGER OF BRITAIN'S DEFENSE CAPACITY BEING REDUCED FURTHER -- COMING AS IT DOES FROM AN ALL PARTY COMMITTEE -- SHOULD BE SALUTARY.

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